

VETOES

Sincerely,
William Donald Schaefer
Governor

House Bill No. 273

AN ACT concerning

Commercial Law – Revolving Credit Plans – Amendments

FOR the purpose of removing certain limitations on the ability of certain credit grantors to extend the time a borrower may use a certain revolving credit plan pursuant to its original unamended terms after the borrower gives timely notice of refusal to accept the amendment by the credit grantor; and generally relating to the amendment of certain revolving credit plans by certain credit grantors.

BY repealing and reenacting, with amendments,

Article – Commercial Law

Section 12-912

Annotated Code of Maryland

(1983 Replacement Volume and 1989 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Commercial Law

12-912.

(a) A credit grantor may, if the agreement governing a revolving credit plan permits, at any time amend the terms of the agreement in accordance with the provisions of this section including:

(1) The terms governing the periodic percentage rate used to calculate interest or finance charges;

(2) The method of computing the outstanding unpaid indebtedness to which the rate is applied;

(3) The amounts of other charges; and

(4) The applicable repayment schedule.

(b) (1) The credit grantor shall notify each affected borrower of an amendment in the manner set forth in the agreement governing the plan and in compliance with the requirements of the federal Truth in Lending Act, and regulations promulgated thereunder. If the amendment has the effect of increasing the interest, finance charges, or other fees and charges to be paid by the borrower, including, but not limited to those enumerated in § 12-905 of this subtitle, or altering the manner of their computation, the credit grantor shall mail or deliver to the borrower, at least 25 days